

**GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES**

Public Services Commission

IN RE:)	Docket No. 554
)	Order No. <u>30</u>/2012
Application of Virgin Islands Waste Management)	
Authority for Approval of Environmental User Fee)	
And Wastewater User Fee)	
_____)	

ORDER

WHEREAS, in 2007 the Public Services Commission conducted a rate investigation and hearings on the Virgin Islands Waste Management Authority's Application for Approval of the Environmental User Fee and Wastewater User Fee; and

WHEREAS, the Public Services Commission ("Commission") rejected the Waste Management Authority ("WMA") request for the Environmental User Fee as proposed; and

WHEREAS, the Commission conditionally approved the Wastewater User Fee in Commission Order No. 20/2008; and

WHEREAS, in Order No. 20/2008 there were nine specific conditions imposed on Waste Management, with the requirement to submit supplemental information within 18 months. Those conditions were:

2. The Authority's application for the WUF is granted, on a temporary basis, for period of eighteen (18) months commencing January 1, 2008. *As a condition for renewal of the WUF beyond June 30, 2009, WMA is required to submit the PSC the following by January 1, 2009:*
 - a. The design of an industrial pre-treatment program, including a listing of the customers to which the program will apply, and a timetable for implementation;
 - b. A report of the steps taken by WMA to validate the Equivalent Residential Units ("ERUs") utilized for non-residential customers, including an evaluation of the flow and strength of wastewater discharged from non-residential property types, as well as an assessment of the unit cost of conveying and treating wastewater with various strength characteristics so that the ERUs utilized for non-residential customers can be cost justified, as well as an explanation of the steps taken to refine the basis for the equivalent units;
 - c. An application for "miscellaneous service" fees (impact fees, industrial pre-treatment program fees, high strength surcharge fees, septic fees, etc.) with a justification for the cost, and reflecting an off-set of the WUF revenue requirements or the General Fund appropriation;
 - d. An audit of the WMA with respect to the WUF which includes the amount of WUF collected and the cost of operation of the wastewater system, prepared by an independent certified public accountant;

- e. A report of the steps taken to improve accountability and transparency of wastewater utility costs, which includes budget information on a program by program basis;
- f. A report on the effectiveness and efficiency of wastewater systems operation, including an assessment of the cost effectiveness and efficiency of wastewater operations, identification of processes and programs to reduce the cost of wastewater operations with established targets and benchmarks to assess performance;
- g. A report on the amount of customer-related costs as well as costs that do not vary with the quantity and quality of wastewater discharged, a method for determining and tracking these amounts, and an application for a two-part wastewater fee;
- h. An application which contains a plan to address the hardship on low income customers, including bill assistance, fixed dollar or percentage discounts for qualifying low income customers, bill forgiveness, crisis vouchers, and financial counseling; and
- i. A report which contains a plan to address aging infrastructure, including a prioritization of needed capital improvements demonstrating that funds are being allocated to the most critical issues of regulatory compliance and public health.

AND WHEREAS, the WMA has sought several extensions of those time limits, which have been granted; and

WHEREAS, VIWMA did file a Five Year Capital Improvement Plan, submitted in February 2011, and partially responsive to Paragraph 2.i.; and

WHEREAS, this matter was again placed on the Commission's agenda for July 19, 2012; and

WHEREAS, on July 16, 2012, WMA delivered a letter to the Commission seeking an extension of time to October 2012 to meet the requirements of Items 2(b), (d), (e), (f) and (g); and

WHEREAS, at the meeting on July 19, 2012, the Commission heard from the WMA's general counsel regarding the reasons for the request for extension; and

WHEREAS, the Commission staff and Commissioners expressed concern with the delay, and the resultant additional costs incurred as a result of these continuing delays;

Now Therefore, the Commission hereby **ORDERS that**:

1. An extension of time for a period of not to exceed 90 days is hereby granted; and
2. If the required reports are not submitted within the 90 days, the Commission shall impose penalties beginning on the 91st day.

So Ordered.

Dated: 7/19/12


DONALD G. COLE
Chair